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THE ECONOMIC WEEKLY

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## Implications of Bhubaneshwar

THE impact of the Congress party on the policies of its Governments in the Centre and in the States has not been particularly marked in the past. This explains the cynicism with which the high-sounding resolutions passed at each succeeding Congress session have been greeted. In general, leaders of the organisation outside the Government have refused to be bothered with official policies and programmes; their attention and efforts have been focused on other matters. Is it possible to notice a change in this pattern? It is too early to say, but the report of the Dhebar Committee is an attempt to spell out the implications, for Government policy, of the resolution on Democracy and Socialism adopted at Bhubaneshwar.

Concentration of economic power in the hands of a small number of business groups was an important issue at Bhubaneshwar and President-elect Kamaraj had called for a commission to check the consequences of such concentration — a suggestion which has been accepted and implemented by the Government. The Dhebar Committee has now recommended that the Government should take a decision "not to issue any licences for new projects to existing large industrial concentrations". It is not prepared to accept as decisive the objection that entrepreneurial ability and finance are scarce — and rightly, considering the highly favourable conditions for industrial enterprise and the very substantial financial and other assistance available from official and semi-official agencies.

Increasing the proportion of the means of production under public control is the Committee's other recommendation to curb concentration. While the broad allocation of spheres between the two sectors laid down in the Industrial Policy Resolution is considered adequate for this purpose, the Committee suggests that when there is undue delay in the execution of a private sector project, it should be taken into the public sector. The report is silent on nationalisation of existing enterprises, though the criteria recommended for extending the public sector into new fields could very well be applied to nationalise industries which contribute disproportionately to the existing concentration of economic power or those which are run inefficiently by the private sector.

The other, and perhaps more important, objective embodied in the Bhubaneshwar resolution was that the essential requirements of food, clothing, housing, education and health of every man, woman and child in the country should be satisfied by a target date, the end of the Fifth Five-Year Plan. A similar target of a minimum income of Rs 100 per month for a family of five by 1975-76 has also been suggested by the Planning Commission. The achievement, of this objective has less to do with the distribution of investment between the public and private sectors than with the pattern of investment. Neither an impressive growth rate nor a high investment target will necessarily suffice. The investment should go into areas where incomes are at present, below the projected national minimum — principally, the rural sector. And within this sector, agriculture has necessarily to be the focus of developmental effort.

The Dhebar Committee attaches the highest priority to the completion of programmes of land reform and to the fulfilment of the agricultural production targets set for the Third Plan. The Committee has suggested that

a high-power committee should be appointed to check on the progress of land reforms and to report to the AICC; similar committees should be set up also at the State-level to report to the Pradesh Congress Committees. On the basis of these reports, a comprehensive review of the progress of land reforms would be presented to the AICC every year beginning from May next. In the field of agricultural production, the Committee has recommended that achievement of targets should be made the direct responsibility of the Chief Ministers of the States.

Land reform and agricultural development will not suffice to provide a livelihood to the vast numbers of unemployed and under-employed in the rural areas. The Committee, therefore, suggests a "brave" programme of rural industries which will be assured finance, power, raw materials and transport on a priority basis and which would have a special authority within the Ministry of Industry to look after its implementation. Consistent with its approach and objectives, the Committee has also suggested the adoption of less capital-intensive techniques for expanding the production of consumption goods while, at the same time, restricting the "multiplicity and sophistication" of varieties which are "oriented to the needs of the higher income groups" and placing the emphasis on production of items of mass consumption.

What the Dhebar Committee does not point out with sufficient emphasis is that all this amounts to a strategy of development somewhat different from that adopted so far. In fact, its report is definitely misleading when it states that the failure of planning, from the standpoint of a wide dispersal of the fruits of development; has not been one of strategy, but of implementation. Of course, lip service has always been paid in the Plans to reducing disparities in income and ensuring a minimum standard of living to every one, but this objective has never been adequately worked into the strategy of planning. This is evident from the impact of the Plans on employment. Even the Third Plan does not expect to provide employment to all the fresh entrants into the labour market during the Plan period. At the very outset it is resigned to a substantial addition during the Plan period to the huge backlog of unemployment brought over from the Second Plan.

Of course, the Third Plan did promise "a comprehensive programme of rural works". It was stated with a flourish that "the first condition for securing equality of opportunity and achieving a national minimum is assurance of gainful employment for every one who seeks work". And, since for many years to come the greatest scope for utilising manpower resources will be in the rural areas, the impression was created that the rural works programme was an integral part of the Plan. But when the problem of fitting the various schemes

into the financial ceiling of Rs 7,500 crores had to be faced, the programme was unceremoniously omitted altogether!

An approach which regards employment-creating investment which directly benefits the weakest sections of the community largely as an adjunct to be carried through if resources permit cannot expect to achieve any national minimum in so short a time as the next ten years. The Dhebar Committee should have made this clear; but it has not, unfortunately.

## Winning Friends

THE windy change in the world's alliances and allegiances, like the pre-monsoon gusts of Eastern India, induces a deep sense of insecurity and thus much accelerated mobility; the world leaders are feverishly in search of their friends. Just after hungry China has offered Japan rice at very competitive prices as additional temptation to the Japanese to swing their loyalties from Taipei to Peking, that inscrutable occidental, R A Butler, and Secretary of State Dean Rusk have flown in and out of Tokyo to try and bolster Ikeda's morale in the face of seduction and to solicit from the reluctant Japanese more explicit help in Malaysia and South Viet Nam, respectively. Mikoyan leads an impressive Soviet delegation to Tokyo to put the Russian case, and President Ben Bella follows Fidel Castro to red carpet receptions in Moscow — Khrushchev shrewdly knows the vote-catching power of associating with genuine revolutionaries. Six days before Khrushchev's tumultuous reception in Cairo, where the Russian leader has gone to mend his fences so recently assaulted by Chou En-Lai, Peking announces tentative plans for Chou to pilgrimage once again, this time to Syria and Iraq (where, the Egyptians say, China has been supporting the 'anti-Egypt' factions, whatever they might be), and, in order to repair the damaging impact of Zanzibar's Okello and Sheikh Babu on East Africa, to Kenya, Tanganyika and Uganda. This is part of the now very fashionable 'run-around-Africa game', but Chou also tends to prickle Egyptian sensitivities even further by visiting Yemen, fast becoming one of the more promising legends to associate with; if President Nasser had not abruptly and secretly decided to make a flying visit to Yemen

recently to give his troops a morale-booster and inaugurate the denunciation of British adventures in South Arabia, Yemen's President Sallal would have been able to make his scheduled State visit to Peking. As it is, the Chinese have had to console themselves with a visit from Kenya's Home Minister, Oginga Odinga instead. As a postscript, it might be noted that nineteen days after Russia had agreed to expand her aid to Nepal (more roads, an agricultural implements plant, and continued work on the cement plant), China has offered supplementary aid to Nepal (more roads, a brick and tile factory, two warehouses, and a small tannery and shoe factory).

How much all this achieves in concrete terms is probably of less significance than the fact that the dizzy round of political sputniking suggests a deep sense of insecurity on all sides. The Sino-Soviet border, 1,500 miles of it, is now relatively quiet, with ten battalions facing each other on either side, and Mongolia has reduced its dependence on Chinese help (to appease Russia), but not entirely (to please China), so that trouble here is now less likely, despite the interminable notes buzzing back and forth between Peking and Moscow. Instead, the friction is now being exported as a prime Eastern Bloc commodity, to the irritation of all those who have to listen to it. However, in Egypt's case, the outcome of 'socialist competition' is likely to be more concrete — a rumoured seventy eight million pound loan, plus some dramatic gesture of generosity at the inauguration of the first stage of the Aswan Dam. The Russian leader has gone out of his way to add to these straight bribes, firm support to Nasser in his declared aim to perform the